

**APPROVED BY**

the Board of Directors of  
Segezha Group PJSC  
Minutes No. 10/21 dated April 9, 2021

**REGULATIONS**  
**ON THE STRATEGY AND SUSTAINABLE DEVELOPMENT**  
**COMMITTEE OF**  
**THE BOARD OF DIRECTORS**  
**OF SEGEZHA GROUP**  
**PUBLIC JOINT STOCK COMPANY**

Moscow  
2021

## **TERMS AND ABBREVIATIONS:**

<b>The company</b>	<i>Segezha Group Public Joint Stock Company</i>
<b>Committee</b>	<i>The Strategy and Sustainable Development Committee of the Board of Directors of the Company</i>
<b>ICAU</b>	<i>Internal Control and Audit Unit</i>
<b>Segezha Group</b>	<i>A set of legal entities that includes Companies and legal entities that are subsidiaries of the Company and/or the functions of the sole executive body in which have been transferred to the management of the Company and/or are affiliated with the Company.</i>
<b>Organizations of Segezha Group</b>	<i>Legal entities whose financial statements are consolidated with the Company's financial statements prepared in accordance with the International Financial Reporting Standards and legal entities in which the Company owns, directly or indirectly, more than 50% of the share capital.</i>

### **1. GENERAL PROVISIONS**

- 1.1. These Regulations define the status, objectives, and functions of the Committee, the procedure for its formation and the termination of its powers, the rights and obligations of its members, and the procedure for organizing work and making decisions.
- 1.2. The Committee is a collegial advisory body of the Company's Board of Directors which reports to the Company's Board of Directors. The Committee is not a management body of the Company and the Company shall not assume civil rights and obligations through the Committee.
- 1.3. The purpose of the Committee is to openly discuss and analyze strategic issues of the Company's business development and to develop recommendations for the Company's Board of Directors.
- 1.4. The Committee carries out preliminary work on matters considered at meetings of the Company's Board of Directors in the area of the development strategy of the Company and Segezha Group. The Committee's decisions are of an advisory nature for the Company's Board of Directors.
- 1.5. In their activities, the Committee members shall be guided by the current laws, the Articles of Association and internal documents of the Company, the Corporate Code of Conduct, decisions of the Company's management bodies, and these Regulations.

### **2. OBJECTIVES AND FUNCTIONS OF THE COMMITTEE**

- 2.1. Objectives of the Committee:
  - 2.1.1. development and improvement of strategic management in Segezha Group;
  - 2.1.2. coordination and assistance in improving strategic management practices in Segezha Group;
  - 2.1.3. monitoring of the Segezha Group's compliance with the requirements of the current laws, the Company's Articles of Association and internal regulatory documents governing strategic management and sustainable development / ESG matters;

- 2.1.4. monitoring of the implementation of resolutions made by the Board of Directors on strategic management matters in Segezha Group;
- 2.1.5. development and improvement of managing sustainable development / ESG matters in Segezha Group;
- 2.1.6. coordination and assistance in improving sustainable development / ESG practices in Segezha Group;
- 2.1.7. monitoring of implementation of resolutions made by the Board of Directors on sustainable development / ESG matters in Segezha Group.

## 2.2. Functions of the Committee:

- 2.2.1. discussion and analysis of strategic matters as instructed by the Company's Board of Directors;
- 2.2.2. control of the strategic management cycle in Segezha Group;
- 2.2.3. approval of the strategic planning methodology;
- 2.2.4. review, approval, and recommendations for the approval of the Segezha Group's strategy;
- 2.2.5. approval of the Segezha Group's strategic goals;
- 2.2.6. preliminary review of mergers and acquisitions, with the exception of transactions between the Organizations of Segezha Group;
- 2.2.7. preliminary review of strategic investment projects of Segezha Group;
- 2.2.8. discussion and analysis of sustainable development / ESG matters;
- 2.2.9. monitoring of the sustainable development / ESG management cycle, including charity and social investment matters;
- 2.2.10. review, coordination, and recommendations for the adoption of a strategy for sustainable development / ESG matters;
- 2.2.11. approval of goals and objectives in the area of sustainable development / ESG of Segezha Group;
- 2.2.12. preliminary review of the annual charity program for subsequent submission to the Board of Directors;
- 2.2.13. approval of extraordinary charitable payments for the purpose of a balanced approach to decisions in the area of charitable activities within the annual limit set by the Board of Directors.

## **3. THE MEMBERSHIP OF THE COMMITTEE AND THE PROCEDURE FOR ITS FORMATION**

- 3.1. Members of the Committee shall include members of the Board of Directors, employees of the Company, and external specialists. Only individuals may be Committee members.
- 3.2. The Committee shall consist of at least five (5) members.
- 3.3. The number of members of the Committee shall be approved by a resolution of the Board of Directors. Candidates to the Committee shall be nominated by members of the Board of

Directors. The membership of the Committee shall be approved by the Company's Board of Directors by a simple majority of votes.

- 3.4. Matters concerning the approval of the number and names of members of a Committee of the Board of Directors are generally subject to consideration at the first meeting of a newly elected Board of Directors of the Company. The powers of the Committee members shall terminate upon the termination of the powers of the members of the Company's Board of Directors.
- 3.5. The Board of Directors shall appoint a Chair of the Committee responsible for managing the Committee's activities. The Board of Directors may, by its resolution, also appoint a Deputy Chair of the Committee, who exercises the functions and powers of the Chair of the Committee in cases where the latter is unable to participate in a meeting of the Committee.
- 3.6. Employees of the Company, representatives of the Company's members, and other persons (specialists, experts, etc.) may be involved in the work of the Committee.
- 3.7. The powers of any member of the Committee may be terminated at any time by a resolution of the Board of Directors made at the initiative of the members of the Board of Directors, the Chair of the Committee, or any member of the Committee.
- 3.8. The Chair of the Committee, as well as the members of the Committee, may resign by sending a letter of resignation to the Chair of the Company's Board of Directors and the Chair of the Committee.

#### **4. RIGHTS AND OBLIGATIONS OF THE COMMITTEE MEMBERS**

- 4.1. The Committee members shall be entitled to:
  - 4.1.1. request and receive the Company's documents from the Company's officers within the competence of the Committee;
  - 4.1.2. request information and explanations from the Company's officers on any matters within the competence of the Committee;
  - 4.1.3. request that a meeting of the Committee be convened and submit matters for consideration by the Committee;
  - 4.1.4. request that their written dissenting opinion be attached to the minutes of the meeting of the Committee;
  - 4.1.5. use the services of external consultants by agreement with the Chair of the Committee.
- 4.2. The Committee members must:
  - 4.2.1. attend (participate in) the meetings of the Committee and take active part in the preparation and discussion of items considered at the meetings of the Committee;
  - 4.2.2. participate in the decision-making process of the Committee by voting on the agenda items of its meetings;
  - 4.2.3. make informed decisions, and for this purpose, study all necessary information (materials), conduct investigations, and bring all information that is relevant to the decisions to be made to the attention of all members of the Committee;
  - 4.2.4. notify the Chair of the Committee if their personal participation in the next meeting is not possible and indicate the reasons;
  - 4.2.5. when making decisions, act in good faith and reasonably in the interests of the Company's shareholders and all interested parties;

- 4.2.6. carry out the instructions of the Chair of the Committee;
- 4.2.7. in accordance with the requirements of the Company's internal documents, not disclose confidential information or trade secrets that have become known to them, respect the confidentiality of matters discussed, not disclose insider information to third parties, and not use such information for personal gain or for the gain of their affiliates;
- 4.2.8. coordinate any actions performed on behalf of the Company or the Committee with the Chair of the Board of Directors or the Chair of the Committee.
- 4.3. If it is necessary to engage external consultants, the Committee shall be entitled to make its own proposals for adjusting (changing, supplementing) the relevant budget items of the Company.
- 4.4. The Committee members shall be responsible to the Company's Board of Directors for the quality and results of the implementation of the Committee's decisions or the instructions of the Chair of the Committee.

## **5. THE CHAIR AND SECRETARY OF THE COMMITTEE**

- 5.1. The Chair of the Committee shall be responsible for the results of the Committee's work and the achievement of its purposes.
- 5.2. The Chair of the Committee shall:
  - 5.2.1. ensure that the Committee's Work Plan is developed and submitted for approval by the Committee;
  - 5.2.2. organize the work of the Committee and convene and chair its meetings;
  - 5.2.3. determine the form, date, time, place, and agenda of the meetings of the Committee;
  - 5.2.4. determine the list of persons invited to participate in a meeting of the Committee;
  - 5.2.5. organize the keeping of the minutes of the Committee meetings and sign the minutes of the Committee meetings;
  - 5.2.6. distribute responsibilities among the Committee members;
  - 5.2.7. give instructions to the Committee members related to the need for a more detailed study of issues and the preparation of materials for consideration at a meeting of the Committee;
  - 5.2.8. report to the Company's Board of Directors on the results of the Committee's work;
  - 5.2.9. exercise control over the implementation of decisions made;
  - 5.2.10. perform other functions arising out of the purposes and substance of the Committee's activities.
- 5.3. The Secretary of the Committee shall be approved by a decision of the Committee on the proposal of the Chair of the Committee. Within the scope of his/her powers, the Secretary of the Committee shall:
  - 5.3.1. prepare the Committee's Work Plan based on the proposals of members and the Chair of the Committee;
  - 5.3.2. in consultation with the Chair of the Committee, prepare and send notifications of upcoming meetings and materials submitted by the responsible persons on the agenda items to the Committee members;
  - 5.3.3. collect voting ballots if an absentee meeting of the Committee is held;

- 5.3.4. prepare the draft minutes of the Committee meeting and prepare and sign extracts from the minutes of the Committee meetings;
- 5.3.5. organize the storage of copies of the minutes and materials of the Committee meetings, if necessary, at the request of stakeholders;
- 5.3.6. carry out the instructions of the Chair of the Committee.

## **6. ORGANIZATION OF THE COMMITTEE'S WORK**

- 6.1. The Committee shall carry out its activities on the basis of these Regulations and the Committee's Work Plan approved in accordance with Clauses 6.2–6.4 hereof.
- 6.2. The Committee's Work Plan shall be drawn up with due regard for the work plan of the Board of Directors and the proposals of the Chair and the Committee members for a period of one calendar year. As a rule, the Committee's Work Plan shall be subject to approval at the first meeting of the newly elected Committee.
- 6.3. The Committee meetings shall be held in accordance with the Committee's Work Plan and as necessary but no less than four (4) times a year.
- 6.4. The Committee's Work Plan may be changed by the decision of the Committee on the basis of proposals received from the Committee members.
- 6.5. Other persons may be invited to participate in the meeting by the decision of the Chair of the Committee. Members of the Board of Directors who are not Committee members may participate in any meeting of the Committee.

## **7. PROCEDURE FOR HOLDING THE COMMITTEE MEETINGS**

- 7.1. The Secretary of the Committee shall send notification of an upcoming meeting of the Committee by e-mail to the Committee members no later than five (5) business days prior to the date of the meeting. The person responsible for preparing an agenda item of a Committee meeting shall provide materials on the item to the Secretary of the Committee, in the form of a presentation or otherwise, no later than three (3) business days prior to the date of the meeting. Materials on the agenda items shall contain information necessary and sufficient for the Committee members to make an informed and objective decision on the agenda item. The Secretary of the Committee shall send the materials to the Committee members no later than two (2) business days prior to the date of the Committee meeting.
- 7.2. If the deadlines for sending materials to the Committee members provided for in Clause 7.1 hereof cannot be met due to the lack of materials (inadequate quality of the preparation of materials) on the agenda items, the Secretary of the Committee shall immediately notify the Chair of the Committee thereof and propose removing the item(s) in question from the agenda of the Committee meeting. The Chair of the Committee may, based on the results of consideration of the materials, make a decision to remove the item(s) in question from the agenda of the meeting or to cancel or postpone the Committee meeting. The Secretary of the Committee shall prepare a notification of the removal of the agenda items in question or the cancellation or postponement of the Committee meeting on behalf of the Chair and send it to the Committee members no later than one day prior to the scheduled date of the Committee meeting.
- 7.3. In exceptional cases, by the decision of the Chair of the Committee, it shall be allowed to send notification about the holding of a Committee meeting and materials on the agenda items no later than one business day prior to the date of the meeting.
- 7.4. Committee meetings may be held in the form of joint presence of the Committee members

(a physical meeting) or, in exceptional cases, in the form of absentee voting on the agenda items of the meeting (an absentee meeting).

- 7.5. The Committee meeting shall be duly constituted (shall have a quorum) if the majority of the elected members of the Committee are present at (participate in) the meeting.
- 7.6. A physical meeting of the Committee shall be opened by the Chair of the Committee.
  - 7.6.1. The Secretary of the Committee shall determine whether there is a quorum for holding a physical meeting of the Committee. When determining the quorum, the participation of a member of the Committee in the meeting by audiovisual conferencing or by telephone shall be taken into account. When determining the quorum and the results of voting on the agenda items of a physical meeting of the Committee, the written opinion of a Committee member who is absent from the meeting shall be taken into account. The written opinion shall be signed by the Committee member and contain the printed name of the signatory.
  - 7.6.2. The Chair of the Committee shall inform those present at a physical meeting about the presence of a quorum for the Committee meeting and announce the agenda of the meeting.
  - 7.6.3. In the absence of a quorum, the meeting shall be declared not duly constituted. In this case, the Chair of the Committee shall make one of the following decisions:
    - a) in consultation with the persons present at the meeting, determine the time to which the beginning of the meeting shall be postponed;
    - b) determine the date of a new meeting of the Committee whose agenda includes the items to be considered;
    - b) include the items that were to be considered at the failed meeting of the Committee in the agenda of the next scheduled meeting of the Committee.
- 7.7. The decision to hold a Committee meeting in the form of absentee voting shall be made by the Chair of the Committee.
  - 7.7.1. When holding an absentee meeting of the Committee, voting ballots prepared in accordance with Appendix 1 hereto shall be sent to the Committee members, together with the materials on the agenda items of the meeting.
  - 7.7.2. When a voting ballot is completed by a Committee member on each issue put to vote, only one of the possible voting options ("for," "against," "abstained") shall be left not crossed out. The Committee member shall sign the completed voting ballot, indicating his/her name and initials.
  - 7.7.3. The Committee member shall submit the completed and signed voting ballot to the Secretary of the Committee no later than the date and time of the end of acceptance of the voting ballots in the original or by fax or in scanned form by e-mail, followed by sending the original voting ballot to the address specified in the notification about the Committee meeting.
  - 7.7.4. Committee members whose completed voting ballots are received by the Secretary of the Committee no later than the date and time of the end of acceptance of voting ballots shall be considered to have taken part in the absentee meeting.
  - 7.7.5. A voting ballot completed in violation of the requirements specified in Clause 7.7.2 hereof shall not be taken into account when counting votes in respect of the agenda item in question.
  - 7.7.6. An unsigned voting ballot or a ballot received by the Company after the deadline specified in the notification shall not be taken into account when determining a quorum, counting votes, and summing up the results of absentee voting.

- 7.7.7. If different voting options are left in a ballot completed by a Committee member on one or more agenda items of the Committee meeting, such ballot shall be considered invalid and shall not be taken into account when determining the voting results in terms of voting on the said agenda item(s) of the Committee meeting.
- 7.8. Resolutions shall be adopted at the Committee meetings by a simple majority of votes of the elected members of the Committee. When adopting a resolution at a meeting, each member of the Committee shall have one vote. The transfer of a vote by one member of the Committee to another member of the Committee or to another person shall not be allowed. In the event of a tie, the Chair shall have a casting vote.
- 7.9. Based on the results of the Committee meeting, the Secretary shall draw up the minutes of the meeting. The minutes of the Committee meeting shall contain the following:
- a) the date, time, and place of the meeting;
  - б) the participants of the meeting, including Committee members and invitees;
  - в) the agenda of the meeting;
  - г) proposals and comments made during the discussion of the items under consideration;
  - д) results of voting on the items under consideration and the resolutions adopted.
- 7.10. The Secretary of the Committee shall draw up the draft minutes of the Committee meeting no later than two (2) business days after the date of the meeting. The Secretary of the Committee shall send the draft minutes of the meeting agreed upon by the Chair of the Committee by e-mail to the Committee members. The Committee members shall, based on the consideration of the draft minutes on the day of its submission, have the right to send the Secretary of the Committee their reasoned proposals to supplement (amend) the draft minutes of the meeting. The Secretary of the Committee shall bring the proposals received from the members to the attention of the Chair of the Committee. The Chair of the Committee shall, based on the consideration of the proposals received within the abovementioned time limits, have the right to make a decision on the inclusion of additional information in the minutes of the meeting or to refuse to include this information in the minutes.
- 7.11. The minutes of the Committee meeting approved by the Chair of the Committee shall be drawn up and signed in one copy by the Chair and the Secretary of the Committee no later than three (3) business days after the date of the meeting. The minutes of the Committee meeting shall be accompanied by the documents adopted (approved) by the decision of the Committee and, in the case of absentee voting, by the voting ballots.
- 7.12. A Committee member who has a dissenting opinion on an agenda item shall be entitled to send his/her written opinion to the Chair of the Committee. This opinion shall be prepared by the Committee member and submitted to the Secretary of the Committee no later than the next business day after the date of the Committee meeting. The written opinion shall be attached to the minutes of the Committee.
- 7.13. The Secretary of the Committee shall e-mail copies of the minutes (extracts from the minutes) of the meeting in scanned form to all members of the Committee, the Secretary of the Board of Directors, and the appointed persons responsible no later than two (2) business days after the date of signing of the minutes.
- 7.14. The original minutes with appendices, as well as voting ballots (in the case of an absentee meeting), shall be submitted for storage to the Secretary of the Company's Board of Directors no later than five (5) business days after the preparing and signing thereof.
- 7.15. The Committee shall approve and submit a report on the results of its activities to the Company's Board of Directors on an annual basis. As a rule, the report on the results of the Committee's activities shall be considered and submitted at the last meeting of the Committee before a General Meeting of Shareholders of the Company whose agenda includes an item on electing a new Board of Directors of the Company.



## **8. FINAL PROVISIONS**

- 8.1. These Regulations, as well as amendments and additions hereto, shall be approved by a resolution of the Company's Board of Directors in accordance with the procedure provided for by the Articles of Association and the Company's internal document governing the activities of the Board of Directors.
- 8.2. The Regulations on the Committee and information on the names of the Committee members may be posted on the web page used by the Company for the disclosure of information by the decision of the Chair of the Committee, as agreed with the Chair of the Board of Directors. The Secretary of the Committee shall be responsible for organizing the posting of the information specified in this clause and its compliance with the resolutions of the Company's Board of Directors.

**STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE OF  
THE BOARD OF DIRECTORS OF SEGEZHA GROUP PJSC**

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**VOTING BALLOT**

**on the agenda items of the meeting of the Strategy and Sustainable Development Committee  
of the Board of Directors of Segezha Group PJSC**

**Form of the meeting:** absentee voting

**End date and time of acceptance of voting ballots:** \_\_\_\_\_

**Address for sending voting ballots:** by fax \_\_\_\_\_ or by e-mail: \_\_\_\_\_ with subsequent submission of the original to the Company at: \_\_\_\_\_.

<b>Member of the Strategy and Sustainable Development Committee of the Board of Directors:</b>	_____ <i>Full name</i>
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<b>Agenda item No. ____:</b> _____
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<b>Wording of the resolution on the item put to a vote:</b> 1. _____
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<b>Voting options</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
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*Leave the voting option you have selected unchanged and cross out the unnecessary options.*

**Signature**

**of the member of the Strategy and Sustainable Development Committee  
of the Board of Directors of Segezha Group PJSC:**

\_\_\_\_\_/\_\_\_\_\_

*(print name)*

***The voting ballot shall be signed by the member of the Strategy and Sustainable Development Committee. An unsigned ballot shall be considered invalid!***